

Board of Education Agenda Item

Item: C.

Date: January 10, 2007

Topic: Final Review of Recommendations Concerning Literary Fund Applications Approved for Release of Funds or Placement on a Waiting List

Presenter: Mr. Kent C. Dickey, Budget Director

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Origin:

 Topic presented for information only (no board action required)

 X Board review required by
 X State or federal law or regulation
 Board of Education regulation
 Other: _____

 X Action requested at this meeting Action requested at future meeting: _____ (date)

Previous Review/Action:

 X No previous board review/action
 Previous review/action
date _____
action _____

Background Information:

The Literary Fund regulations of the Board establish two priorities for the Literary Fund Waiting Lists. These priorities are summarized as follows:

- Priority 1: Applications from localities having a composite index less than 0.6000 and indebtedness (including the application considered for release of funds) less than \$20 million to the Literary Fund (Attachment A).
- Priority 2: Applications from localities having a composite index of 0.6000 or above or an indebtedness (including the application considered for release of funds) of \$20 million or greater to the Literary Fund (Attachment B).

Attachment C lists the twenty projects that have been removed from the First Priority Waiting List. Nineteen of the twenty projects that were removed participated in the Virginia Public School Authority's

2006 Interest Rate Subsidy program. In addition, Colonial Beach requested by letter that the Colonial Beach Middle School project be removed from the First Priority Waiting List.

Attachment D identifies the six Literary Fund applications that are available for release contingent on approval of the applications by the Office of the Attorney General and receipt of the required memorandum of lien by the Department of Education.

Attachment E is the Board of Education's current Approved Application List. This attachment identifies the Literary Fund applications that are approved as to form but are not included on either waiting list nor are they recommended for funding.

Summary of Major Elements:

To the extent funds are available, a recommendation for initial release of funds is presented for projects currently on the First Priority Waiting List or otherwise eligible for priority funding. To the extent funds are not available, new requests for the initial release of Literary Funds cannot be approved. As a result, such requests must be deferred and placed on either the First or Second Priority Waiting List in accordance with the Literary Fund regulations.

This item consists of four elements that require action by the Board of Education. These elements are:

1. Fourteen new projects, totaling \$21,115,166, listed on Attachment A are eligible for placement on the First Priority Waiting List, subject to the review and approval by the Office of the Attorney General pursuant to § 22.1-156, *Code of Virginia*.
2. Nineteen projects from the First Priority Waiting Listed participated in the 2006 Virginia Public School Authority 2006 Interest Rate Subsidy program and, as a result, have been removed from the First Priority Waiting List (Attachment B).
3. Colonial Beach submitted a letter dated October 13, 2006, requesting that one project (Colonial Beach Middle School) be removed from the First Priority Waiting List (Attachment B).
4. Thirteen new projects, totaling \$41,643,804, listed on Attachment E have Literary Fund applications, which are approved as to form, but the plans have not yet been finalized. When the Department receives the plans, these projects will be eligible for placement on a waiting list, subject to review and approval by the Office of the Attorney General pursuant to § 22.1-156, *Code of Virginia*. Until such time, these projects should remain on the Approved Application List.

Superintendent's Recommendation:

The Superintendent of Public Instruction recommends that funding for the six projects listed on Attachment C in the amount of \$33,500,000 be released contingent on approval of the applications by the Office of the Attorney General and receipt of the required memorandum of lien by the Department of Education.

The Superintendent of Public Instruction further recommends that the Board of Education approve the actions described in the four elements listed under “Summary of Major Elements.”

Impact on Resources:

Current Board policy provides that, upon initial release of funds, Literary Fund cash is reduced in the total amount of the approved loan to assure that cash is available as required for project completion. The disbursement of funds is based on actual invoices or other evidence of bills due and payable from the Literary Fund.

Timetable for Further Review/Action:

The staff will prepare items for the Board on this subject as needed. Based on the availability of funds, initial release of funds will be made or projects will be deferred and placed on the Waiting List.

VIRGINIA BOARD OF EDUCATION - FIRST PRIORITY WAITING LIST

The following projects have been placed or are recommended for placement on the First Priority Waiting List with the actions as indicated in the last column. Projects recommended for action at this meeting are presented in italics.

Priority	Date Placed on Waiting List	School Division	School	Interest Rate	Amount	Cumulative Total	Action/Status
1	January, 2005	Campbell County	Yellow Branch Elementary ¹	2%	7,500,000	7,500,000	Funding Deferred
2	June, 2005	Staunton City	A. R. Ware Elem ¹	3%	7,500,000	15,000,000	Funding Deferred
3	June, 2005	Staunton City	T. C. McSwain Elem ¹	3%	7,500,000	22,500,000	Funding Deferred
4	June, 2005	Warren County	West Warren High ¹	3%	7,500,000	30,000,000	Funding Deferred
5	June, 2005	Warren County	East Warren High ¹	3%	7,500,000	37,500,000	Funding Deferred
6	March, 2006	Martinsville City	Patrick Henry Elementary ¹	2%	2,500,000	40,000,000	Funding Deferred
7	March, 2006	Waynesboro City	Kate Collins Middle	3%	7,500,000	47,500,000	Funding Deferred
8	March, 2006	Culpeper County	Culpeper County High ¹	3%	7,500,000	55,000,000	Funding Deferred
9	March, 2006	Augusta County	Stuarts Draft High School	3%	7,500,000	62,500,000	Funding Deferred
10	March, 2006	Augusta County	Wilson Memorial High School	3%	7,500,000	70,000,000	Funding Deferred
11	June, 2006	Dinwiddie County	New High School ¹	2%	7,500,000	77,500,000	Funding Deferred
12	June, 2006	Dinwiddie County	New Elementary School ¹	2%	7,500,000	85,000,000	Funding Deferred
13	June, 2006	Nottoway County	Nottoway Intermediate and Middle School ¹	2%	3,000,000	88,000,000	Funding Deferred
14	June, 2006	King George County	New High School ¹	3%	7,500,000	95,500,000	Funding Deferred
15	September, 2006	Caroline County	Ladysmith Elementary ¹	3%	7,500,000	103,000,000	Funding Deferred
16	September, 2006	Hanover County	Hanover Elementary ¹	4%	7,500,000	110,500,000	Funding Deferred

New projects to be added with funding deferred until funds are approved for release by separate action by the Board of Education

17	January, 2007	Washington County	Abingdon Elementary ¹	3%	1,211,924	111,711,924	Add / Funding Deferred
18	January, 2007	Washington County	High Point Elem ¹	3%	986,356	112,698,280	Add / Funding Deferred
19	January, 2007	Washington County	Valley Institute Elementary ¹	3%	735,613	113,433,893	Add / Funding Deferred
20	January, 2007	Washington County	E. B. Stanley Middle ¹	3%	931,273	114,365,166	Add / Funding Deferred
21	January, 2007	Essex County	Essex Intermediate School ¹	4%	7,500,000	121,865,166	Add / Funding Deferred
22	January, 2007	Patrick County	Blue Ridge Elementary School ¹	2%	151,618	122,016,784	Add / Funding Deferred

VIRGINIA BOARD OF EDUCATION - FIRST PRIORITY WAITING LIST

The following projects have been placed or are recommended for placement on the First Priority Waiting List with the actions as indicated in the last column. Projects recommended for action at this meeting are presented in italics.

Priority	Date Placed on Waiting List	School Division	School	Interest Rate	Amount	Cumulative Total	Action/Status
23	January, 2007	Patrick County	<i>Hardin Reynolds Memorial School ¹</i>	2%	105,406	122,122,190	<i>Add / Funding Deferred</i>
24	January, 2007	Patrick County	<i>Meadows of Dan Elementary ¹</i>	2%	105,217	122,227,407	<i>Add / Funding Deferred</i>
25	January, 2007	Patrick County	<i>Patrick County High School ¹</i>	2%	275,324	122,502,731	<i>Add / Funding Deferred</i>
26	January, 2007	Patrick County	<i>Patrick Springs Primary ¹</i>	2%	195,976	122,698,707	<i>Add / Funding Deferred</i>
27	January, 2007	Patrick County	<i>Stuart Elementary School ¹</i>	2%	304,878	123,003,585	<i>Add / Funding Deferred</i>
28	January, 2007	Patrick County	<i>Woolwine Elementary School ¹</i>	2%	361,581	123,365,166	<i>Add / Funding Deferred</i>
29	January, 2007	Galax City	<i>Galax High School ¹</i>	2%	4,750,000	128,115,166	<i>Add / Funding Deferred</i>
30	January, 2007	Henry County	<i>Drewry Mason Elementary ¹</i>	2%	3,500,000	131,615,166	<i>Add / Funding Deferred</i>

¹ Pending approval by the Attorney General's Office
January, 2007

VIRGINIA BOARD OF EDUCATION - SECOND PRIORITY WAITING LIST

The following projects have been placed or are recommended for placement on the Second Priority Waiting List with the actions as indicated in the last column. Projects recommended for action at this meeting are presented in italics.

Date Placed on		School Division	School	Interest		Cumulative		Action/Status	Comments
Priority	Waiting List			Rate	Amount	Total			

NO PROJECTS

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VIRGINIA BOARD OF EDUCATION - REMOVAL FROM FIRST PRIORITY WAITING LIST

The following projects have been removed from the First Priority Waiting List with the actions as indicated in the last column.

Date Placed on Waiting List	School Division	School	Interest Rate	Amount	Cumulative Total	Action/Status
March, 2003	Franklin County	Windy Gap Elementary	3%	7,500,000	7,500,000	2006 VPSA Subsidy Program Participant
June, 2003	Alleghany County	Falling Springs Elementary	2%	2,000,000	9,500,000	2006 VPSA Subsidy Program Participant
June, 2003	Alleghany County	Callaghan Elementary	2%	1,000,000	10,500,000	2006 VPSA Subsidy Program Participant
June, 2003	Alleghany County	Sharon Elementary	2%	1,000,000	11,500,000	2006 VPSA Subsidy Program Participant
February, 2004	Mecklenburg County	South Hill Elementary	3%	7,500,000	19,000,000	2006 VPSA Subsidy Program Participant
April, 2004	New Kent County	G. W. Watkins Elementary	4%	7,500,000	26,500,000	2006 VPSA Subsidy Program Participant
June, 2004	Page County	Page County High	2%	7,500,000	34,000,000	2006 VPSA Subsidy Program Participant
June, 2004	Page County	Luray High	2%	7,500,000	41,500,000	2006 VPSA Subsidy Program Participant
September, 2004	Roanoke City	Patrick Henry High	3%	7,500,000	49,000,000	2006 VPSA Subsidy Program Participant
January, 2005	Portsmouth City	Park View Elementary	2%	7,500,000	56,500,000	2006 VPSA Subsidy Program Participant
January, 2005	Russell County	Lebanon Primary	2%	4,000,000	60,500,000	2006 VPSA Subsidy Program Participant
January, 2005	Brunswick County	Brunswick High	2%	7,500,000	68,000,000	2006 VPSA Subsidy Program Participant
June, 2005	Wythe County	Max Meadows Elem	3%	4,100,000	72,100,000	2006 VPSA Subsidy Program Participant
September, 2005	Halifax County	Halifax Middle	2%	7,500,000	79,600,000	2006 VPSA Subsidy Program Participant
September, 2005	Henry County	G. W. Carver Elementary	2%	3,500,000	83,100,000	2006 VPSA Subsidy Program Participant
March, 2006	Colonial Beach	Colonial Beach Middle	2%	4,000,000	87,100,000	Application Withdrawn
March, 2006	Rockingham County	Hillyard Middle	3%	7,500,000	94,600,000	2006 VPSA Subsidy Program Participant
March, 2006	Rockingham County	Wilbur S. Pence Middle	3%	7,500,000	102,100,000	2006 VPSA Subsidy Program Participant
March, 2006	Halifax County	South Boston Elementary	2%	3,633,159	105,733,159	2006 VPSA Subsidy Program Participant
March, 2006	Henry County	Campbell Court Elementary	2%	4,000,000	109,733,159	2006 VPSA Subsidy Program Participant

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VIRGINIA BOARD OF EDUCATION - RELEASE OF LITERARY FUNDS

It is recommended that Literary Funds be released for the following projects on the first priority waiting list pending approval by the Attorney General's Office and pending the Department of Education's receipt of the Memorandum of Lien for each property:

Date Placed on Waiting List	School Division	School	Interest Rate	Amount	Cumulative Total
July, 2002	Newport News City	General Stanford Elementary ^{1, 2}	2%	7,500,000	7,500,000
June, 2003	Galax City	Galax Elementary ²	3%	2,000,000	9,500,000
June, 2003	Sussex County	Sussex Central Middle ²	3%	7,500,000	17,000,000
June, 2003	Stafford County	New Elementary 2004 ²	3%	7,500,000	24,500,000
April, 2004	Greene County	William Monroe High ^{1, 2}	3%	4,000,000	28,500,000
April, 2004	Greene County	William Monroe Middle ^{1, 2}	3%	5,000,000	33,500,000

¹ Pending approval by the Attorney General's Office

² Pending Department of Education's receipt of Memorandum of Lien

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**LITERARY FUND OF VIRGINIA
APPROVED APPLICATION LIST**

Priority	Date Placed on Application List	School Division	School	Interest Rate	Application Amount	Cumulative Total	Action/Status
1	March, 2006	Hanover County	Trades Based Center ¹	4%	7,500,000	7,500,000	Pending receipt of plans
2	March, 2006	Roanoke County	William Byrd High School ¹	3%	7,500,000	15,000,000	Pending receipt of plans
3	March, 2006	Roanoke County	Northside High School ¹	3%	7,500,000	22,500,000	Pending receipt of plans
4	June, 2006	Cumberland County	Cumberland Middle School ¹	2%	7,500,000	30,000,000	Pending receipt of plans
5	June, 2006	New Kent County	New Kent High School ¹	4%	7,500,000	37,500,000	Pending receipt of plans

New projects to be added to the approved application list.

6	January, 2007	Cumberland County	Cumberland High School ¹	2%	7,500,000	45,000,000	Pending receipt of plans
7	January, 2007	Washington County	Patrick Henry High School ¹	3%	161,120	45,161,120	Pending receipt of plans
8	January, 2007	Washington County	John Battle High School ¹	3%	241,680	45,402,800	Pending receipt of plans
9	January, 2007	Washington County	Abingdon High School ¹	3%	241,680	45,644,480	Pending receipt of plans
10	January, 2007	Washington County	Patrick Henry High School ¹	3%	382,660	46,027,140	Pending receipt of plans
11	January, 2007	Washington County	Holston High School ¹	3%	382,660	46,409,800	Pending receipt of plans
12	January, 2007	Washington County	Meadowview Elementary School ¹	3%	975,380	47,385,180	Pending receipt of plans
13	January, 2007	Washington County	Wallace Middle School ¹	3%	739,540	48,124,720	Pending receipt of plans
14	January, 2007	Washington County	Glade Spring Middle School ¹	3%	1,019,084	49,143,804	Pending receipt of plans
15	January, 2007	Southampton County	Riverdale Elementary School ¹	2%	7,500,000	56,643,804	Pending receipt of plans
16	January, 2007	Roanoke City	William Fleming High School ¹	3%	7,500,000	64,143,804	Pending receipt of plans
17	January, 2007	Rockingham County	Montevideo Elementary School ¹	3%	7,500,000	71,643,804	Pending receipt of plans
18	January, 2007	Gloucester County	Abingdon Elementary School ¹	3%	7,500,000	79,143,804	Pending receipt of plans

¹ Pending approval by the Attorney General's Office

*Reflects only those applications not on waiting lists

Note: Per 8VAC20-100-90, applications which remain on the approved application list for three years shall be removed from the list.

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